




**From:** Katie Simmonds   
**To:** Andrew Parsons  Jonathan Gribben  
  
**Subject:** RE: Post Office Group Litigation: Some points to check please  
**Date:** Fri, 16 Nov 2018 13:00:08 +0000

**Importance:** Normal

**Attachments:** \_DOC\_152853821(1)\_DOC\_152849927(1)\_DOC\_152766498(3)\_323\_Bates\_Draft\_Witness\_Statement\_of\_Angela\_Van-Den-Bogerd\_(master)\_15\_Nov\_(1)\_(3).DOCX

**Inline-Images:** image001.png; image002.png; image003.png; image02c4b3.PNG; imagede7ee1.PNG; image24eaa3.PNG

---

Hi – updated as per the attached.

**Katie Simmonds**

Associate

Womble Bond Dickinson (UK) LLP

d:  
m:  
t:  
e:



[Stay informed: sign up to our e-alerts](#)



womblebonddickinson.com



---

**From:** Andrew Parsons  
**Sent:** 16 November 2018 12:39  
**To:** Jonathan Gribben; Katie Simmonds  
**Subject:** RE: Post Office Group Litigation: Some points to check please

I think he means that Burke was not responsible for the failed recovery – which is correct, that is an IT issue. But that is back-end thing that doesn't affect her branch accounts. From her perspective, Horizon worked and she failed to follow the process, so the general thrust of what we say is correct. We may just need to tighten the language slightly.

A

**Andrew Parsons**

Partner

Womble Bond Dickinson (UK) LLP

d:  
m:  
t:  
e:



[Stay informed: sign up to our e-alerts](#)



[womblebond dickinson.com](http://womblebond dickinson.com)



**From:** Jonathan Gribben  
**Sent:** 16 November 2018 12:32  
**To:** Katie Simmonds  
**Cc:** Andrew Parsons  
**Subject:** FW: Post Office Group Litigation: Some points to check please [WBDUK-AC.FID27032497]

Katie,

Please can you update Angela's statement to reflect Gareth's comments.

Andy – see the section highlighted yellow. I'll ask Gareth to confirm which reconciliation process.

Thanks

Jonny

**Jonathan Gribben**  
Managing Associate  
Womble Bond Dickinson (UK) LLP

d:  
m:  
t:  
e:

**GRO**

[Stay informed: sign up to our e-alerts](#)



[womblebond dickinson.com](http://womblebond dickinson.com)



**From:** Gareth Jenkins [mailto:**GRO**]  
**Sent:** 16 November 2018 12:28  
**To:** Jonathan Gribben  
**Cc:** Dave.Ibbett(**GRO**); Matthew.Lenton(**GRO**); pete.newsome(**GRO**); Katie Simmonds; Legal.Defence(**GRO**)  
**Subject:** RE: Post Office Group Litigation: Some points to check please [WBDUK-AC.FID27032497]

**IMPORTANT** - This email or attached documents contains legal advice (or relates to litigation or anticipated litigation) and is being provided in circumstances for which Legal Privilege may be claimed. Do not copy or forward this document without permission.

WBD\_000155.000002

Hi Jonny,

Please see comments below prefixed [GIJ]

Best wishes

Gareth

---

**From:** Jonathan Gribben [mailto:[REDACTED] **GRO**]  
**Sent:** 16 November 2018 11:29  
**To:** Gareth Jenkins [mailto:[REDACTED] **GRO**]  
**Cc:** Dave.Ibbett ([REDACTED] **GRO**); Matthew.Lenton ([REDACTED] **GRO**); pete.newsome ([REDACTED] **GRO**); Katie Simmonds ([REDACTED] **GRO**)  
**Subject:** Post Office Group Litigation: Some points to check please [WBDUK-AC.FID27032497]  
**Importance:** High

Good morning Gareth,

Privileged & Confidential – please do not forward

We are in the process of finalising a number of the witness statements for Post Office in advance of Friday's deadline. Please can you take a look at the points below and let us know if they are incorrect in any way, as soon as possible (this is a top priority)?

) In relation to the "phantom sales" that were reported in around 2000, can you confirm these:

i. appear to have been caused by hardware issues; and

***[GIJ] confirmed***

ii. should not have caused a discrepancy in a branch's accounts;

***[GIJ] provided they related to stock sales (and the examples I have seen all do). In that case there would be a corresponding stock discrepancy that would cancel out. However it is hard to be definitive.***

) In terms of transactions not being associated with a Subpostmasters user ID, we believe there are two possible ways a user ID can be affected as follows:

- i. Sharing of User ID passwords between users/ in branch;
- ii. Connectivity issue when user A is processing a transaction. A different user (User B) is then the first to log into Horizon when the connectivity issue has been resolved. Any recovery action taken by User B will be logged against their user ID. However, Horizon will also record that User A undertook the original interrupted transaction, which may appear as if a transaction was completed by User A when it was not.

***[GIJ] Sorry, but I can't remember exactly how this worked on old Horizon. Certainly on HNG-X when a transaction is recovered, then the User Id is that of the user who is recovering the Txn, but we do also record in the audit record who the original user was. I suspect that this was also the case on old Horizon, but cannot be definitive.***

***There is a further scenario. On Old Horizon if SSC were to insert a transaction at the counter (which although possible, was very rare), then this would have been associated with the User Id of whoever was logged on at that counter. If nobody was logged on then the User Id would be missing. Such transactions should be clearly identified in the audit trail as having been inserted by SSC.***

***Similarly any transactions inserted by SSC at the Data centre would have no associated User ID, but should be clearly identified in the Audit Trail and also clearly visible in branch reports such as the Transaction Log as having originated from the Data Centre rather than a real counter.***

Are there any other reasons that Fujitsu are aware of that could result in a user ID being affected?

) Angela Burke:

- a. In her statement, Mrs Burke describes suffering a shortfall which arose out of the Horizon system outage on 9 May 2016. I have described this outage at paragraph XX above. On the basis of the ARQ Data (exhibit) I believe that this shortfall arose due to Mrs Burke not following the recovery process after a system outage rather than any error in Horizon.

***[GIJ] I disagree with this. Not sure where this text comes from. The error was due to a failed recovery and was not her fault. This should have been picked up by the reconciliation process and a BIMS passed to POL to resolve. The fact she had to chase things up indicates a failure somewhere in that process, but I don't know exactly where.***

- b. The account provided by Mrs Burke means that it is clear that she did not follow Post Office's standard processes for processing transactions. Specifically, each customer's transactions should be separately recorded on Horizon in what is called a "basket" or sometimes referred to as a stack (because the transactions appear to stack up on the screen). After each customer, the transactions needed to be submitted to the branch accounts ie the transaction needs to be completed, which is sometimes called "clearing the stack". Mrs Burke did not do this and bundled together two customers' transactions into one basket (see paragraph 14 of her statement). From Horizon's perspective, this would have looked like a set of transactions relevant to a single customer.

***[GIJ] This is true, but is not the reason for the problem.***

- c. When processing bank withdrawals, Horizon first checks that the customer's bank account has sufficient funds for the withdrawal. If the bank's system confirms this, Horizon adds the withdrawal to

the stack and prints an "authorisation receipt" (see page 12 of AB1, timed at 9:28). Multiple transactions can be added to a stack. It is not uncommon for a customer to withdraw cash and then, say, pay a bill or buy some stamps. Once all the transactions are added to the stack, Horizon calculates the net amount due to or from the customer, the user completes the basket (which submits the entire basket of transactions into the branch accounts) and cash is physically handed over the counter. Because there can be multiple transactions in the stack, there can be a delay between a cash withdrawal being authorised by the bank and the full basket being submitted to the branch accounts. This raises the possibility of some form of intervening act such as a power outage or loss of connectivity. If that happens, the bank's system may be showing a withdrawal of cash but Horizon has no record of the transaction.

**[GIJ] correct**

- d. This is where the recovery process is initiated if there is a connectivity failure, Horizon will make multiple attempts to complete the basket, but after XX attempts it will record a failure and log out the user. It will also print a disconnected session receipt showing the transactions in the stack at that point (which happened in this case: see page 2 of AB1, timed at 9:30).

***[GIJ] It will make two attempts (the original request followed by a single retry. The user is then asked if they wish to retry. If they say "yes" then 2 further attempts are made. If these both fail, the same retry screen is then shown and the process repeated until the user either gives up or the basket is settled successfully. The recommendation is that they retry one and then give up (ie after 3 attempts to settle). There is a 40 sec delay between each retry thus allowing time for any temp issue in the Data Centre to be resolved. If they say "no" they are logged out and recovery is instigated on the next Log On.***

***Rest is as described***

- e. Once Horizon comes back up, it will check whether there are any cash withdrawals logged by the bank but not on Horizon. Where it gets confirmation from the bank that the cash withdrawal has gone through, Horizon will then add that cash withdrawal (and any other recovered transactions) to a new basket and complete that basket so that it forms part of the branch accounts. It will then print a recovery receipt telling the user what cash to give to the customer.

***[GIJ] The check is more general. It checks for an recoverable transactions (all Cash withdrawals are marked as recoverable). If it finds a recoverable transaction (in this case a Cash Withdrawal) it then attempts to communicate with the Banking Agent to see what happened to that transaction. In this case that communication failed (due to the system problems that day) and so recovery failed and it was marked as such to be resolved manually.***

- f. In Mrs Burke's case, the first two withdrawals (of £73 and £180) were recovered but the withdrawal of £150 was not recovered. This is shown on the recovery receipt, at page 5 of AB1 and timed at 9:36, which instructs Mrs Burke to only pay £73 and £180 to the customer. This is also reflected in the transaction list at page 6 of AB1 which only shows the withdrawals for £73 and £180, and not the withdrawal for £150.
- g. Had Mrs Burke followed the recovery receipt, she would not have given the £150 to the customer and would have suffered no shortfall.

**[GIJ] correct.**

- h. If Mrs Burke had followed the correct process the failed recovery would have disadvantaged the customer, whose account would have been debited but who would have not received any cash from Mrs Burke. From the Subpostmaster's perspective, Horizon accurately recorded the recovered transactions and told Mrs Burke not to pay the £150 to the customer. The problem was caused by Mrs Burke not following the procedure which would have instructed her not to pay out the £150
- i. Following Mrs Burke's investigation, Post Office generated a transaction correction for the £150 withdrawal. I believe it was quite proper for Mrs Burke to do this investigation as it was her original error that caused the loss. Once Post Office was presented with evidence that the customer had

received the cash and the customer's bank had recorded the withdrawal, a transaction correction was issued to bring the branch accounts back in line thereby correcting Mrs Burke's mistake.

**[GIJ] I was not aware of this, but it seems reasonable.**

- j. Mrs Burke states (at paragraph 26) that the TC "had settled the amount to Lloyds bank and not TSB". TSB was part of Lloyds bank until September 2013 and I suspect this is the reason for this. The identity of the financial institution is not relevant from a branch accounts perspective.

**[GIJ] Agreed this has no impact on the branch accounts.**

Thank you in advance

Kind regards

Jonny

**Jonathan Gribben**  
Managing Associate  
Womble Bond Dickinson (UK) LLP

d:  
m:  
t:  
e:

**GRO**

[Stay informed: sign up to our e-alerts](#)



[womblebonddickinson.com](http://womblebonddickinson.com)



**Please consider the environment! Do you need to print this email?**

The information in this e-mail and any attachments is confidential and may be legally privileged and protected by law. [gi.jenkins](#) **GRO** only is authorised to access this e-mail and any attachments. If you are not [gi.jenkins](#) **GRO** please notify [jonathan.gribben](#) **GRO** as soon as possible and delete any copies. Unauthorised use, dissemination, distribution, publication or copying of this communication or attachments is prohibited and may be unlawful. Information about how we use personal data is in our [Privacy Policy](#) on our website.

Any files attached to this e-mail will have been checked by us with virus detection software before transmission. Womble Bond Dickinson (UK) LLP accepts no liability for any loss or damage which may be caused by software viruses and you should carry out your own virus checks before opening any attachment.

Content of this email which does not relate to the official business of Womble Bond Dickinson (UK) LLP, is neither given nor endorsed by it.

This email is sent by Womble Bond Dickinson (UK) LLP which is a limited liability partnership registered in England and Wales under number OC317661. Our registered office is 4 More London Riverside, London, SE1 2AU, where a list of members' names is open to inspection. We use the term partner to refer to a member of the LLP, or an employee or consultant who is of equivalent standing. Our VAT registration number is GB123393627.

Womble Bond Dickinson (UK) LLP is a member of Womble Bond Dickinson (International) Limited, which consists of independent and autonomous law firms providing services in the US, the UK, and elsewhere around the world. Each Womble Bond Dickinson entity is a separate legal entity and is not responsible for the acts or omissions of, nor can bind or obligate, another Womble Bond Dickinson entity. Womble Bond Dickinson (International) Limited does not practice law. Please see

[www.womblebonddickinson.com/legal](http://www.womblebonddickinson.com/legal) notices for further details.

Womble Bond Dickinson (UK) LLP is authorised and regulated by the Solicitors Regulation Authority.